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FM AMEMBASSY NICOSIA
TO RUEHC/SECSTATE WASHDC PRIORITY 7317
INFO RUEHTH/AMEMBASSY ATHENS PRIORITY 3755
RUEHRL/AMEMBASSY BERLIN PRIORITY 0660
RUEHHE/AMEMBASSY HELSINKI PRIORITY 0397
RUEHLO/AMEMBASSY LONDON PRIORITY 1266
RUEHBS/USEU BRUSSELS PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

C O N F I D E N T I A L NICOSIA 002024

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TAGS: EFIN PTER ECON EUN CY

SUBJECT: CYPRUS UNLIKELY TO BE MUCH OF A PLAYER ON TFTFP,
MAY PROVIDE QUIET SUPPORT

REF: SECSTATE 194473

Classified By: AMBASSADOR RONALD SCHLICHER, REASONS 1.4
b and d.

¶1. (C) We raised reftel demarche with Finance Minister Michalis Sarris, MFA Acting PermSec Erato Marcoullis, MoI PermSec Lazaros Savvides and Commerce Ministry PermSec Efstatios Hamboullas. All were relatively unfamiliar with the issue. Finance Minister Sarris promised the Ambassador that the GoC was likely to be supportive of efforts to find a way to allow the TFTFP to continue. The others, independently, echoed Sarris' remarks noting that the GoC regularly cooperates with the U.S. on counter-terrorism issues and would, in general, support any U.S. program to prevent the financing of terror that did not violate EU or Cypriot law.

¶2. (C) Comment: The controversy surrounding SWIFT and the TFTFP has not been an issue in Cyprus, either with the press, the public, politicians or government officials. Data privacy is a relatively new concept in Cyprus and has yet to gain much of a foothold, although this may change over time as Cyprus becomes more attuned to EU norms and standards. In general, Cyprus wants to be seen as supportive of efforts to combat terrorism. This is especially true in the area of terrorism finance, where it is trying to overcome its 1990s-era image as a money-laundering haven. That said, while the GoC may be a quiet ally behind the scenes, it is unlikely to provide much support in public -- at least not in opposition to other large EU members. Expending political capital with fellow EU member states is reserved for issues directly impacting the Cyprus issue. As with most issues where it feels it does not have a dog in the fight, the GoC is likely to sit back and go with whatever consensus emerges in Brussels. We will continue to look for opportunities to lobby GoC officials to support the TFTFP and will monitor the GoC's planned response.

Schlischer